

**701—54.4(422) Net gains and losses from the sale of assets.** For purposes of administration of this rule, a capital gain or loss shall mean the sale price or value at the time of disposal of an asset less the adjusted basis, whether reportable as short-term or long-term capital gain or ordinary income for federal income tax purposes.

Nonbusiness gain or loss from the sale, exchange or other disposition of property if the property while owned by the taxpayer was not operationally related to the taxpayer's trade or business carried on in Iowa shall be allocated as follows:

**54.4(1)** Gains or losses from the sale, exchange or other disposition of real property located in this state are allocable to this state.

**54.4(2)** Gains and losses from the sale, exchange or other disposition of tangible personal property are allocable to this state if:

- a.* The property had a situs in this state at the time of sale; or
- b.* The taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.

**54.4(3)** Gains or losses from the sale, exchange or other disposition of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.

**54.4(4)** Gains or losses from the sale, exchange or other disposition of stock of another corporation, if the activities of the other corporation were not operationally related to the taxpayer's trade or business carried on in Iowa while the stock was owned by the taxpayer, are allocable to this state if the taxpayer's commercial domicile is in this state.

This rule is intended to implement Iowa Code Supplement section 422.33(1).